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E.O. 12356: N/A
 TAGS: PREL, MASS, RP, US
 SUBJECT: SENATE FOREIGN RELATIONS SUBCOMMITTEE
 HEARING, MARCH 22

1. SENATOR MURKOWSKI CHAIRED SFRC SUBCOMMITTEE MEETING MARCH 22 ON EAP SECURITY ASSISTANCE PROGRAM. CHAIRMAN CONCENTRATED HIS QUESTIONS ON TECHNICAL AND PROCEDURAL ASPECTS OF SECURITY ASSISTANCE PROGRAMS SUCH AS DETERMINATION OF CONCESSIONAL RATES OF INTEREST, HOW DECISIONS ARE MADE ABOUT WHICH COUNTRIES RECEIVE FMS, MAP, AND HOW MUCH, CRITERIA FOR DETERMINING AN INDIVIDUAL COUNTRY'S MILITARY ASSISTANCE NEEDS, HOW USG WORKS WITH HOST COUNTRY IN DETERMINING THESE NEEDS, HOW PURCHASES OF U.S. EQUIPMENT ARE MADE, U.S. POLICY RE ARREARAGES, AND SIMILAR SUBJECTS. PHILIPPINE PROGRAM WAS CITED BY CHAIRMAN AS EXAMPLE IN SEVERAL OF HIS QUESTIONS.

2. FOLLOWING SERIES OF QUESTIONS ON HFAC PROPOSAL TO SHIFT FMS TO ESF, CHAIRMAN INDICATED HIS POSITION IN CONFERENCE COMMITTEE WOULD BE TO OPPOSE A TOTAL SHIFT, AND TO SUPPORT A COMPROMISE - \$30 MILLION IN FMS, \$125 MILLION IN ESF, AND \$75 MILLION IN MAP. ASEC WOLFOWITZ INDICATED THAT DEPARTMENT SUPPORTS ORIGINAL SECURITY ASSISTANCE REQUEST, BUT BETWEEN HFAC PROPOSAL AND INDICATED THAT DEPARTMENT SUPPORTS ORIGINAL SECURITY ASSISTANCE REQUEST, BUT BETWEEN HFAC PROPOSAL AND CHAIRMAN'S PROPOSED COMPROMISE, PREFERS LATTER. ASEC ALSO STATED THAT WE HOPE THAT ANY CHANGE IN THE PACKAGE COULD BE WORKED OUT MUTUALLY BY BOTH GOVERNMENTS.

3. SENATOR MURKOWSKI INDICATED AS WELL THAT HE IS CONCERNED ABOUT THE MAY 14 PARLIAMENTARY ELECTION, AND THAT HE WOULD BE WILLING TO RECOMMEND A GOOD BIT OF FLEXIBILITY ON SECURITY ASSISTANCE PACKAGE BASED ON OUTCOME OF THE ELECTION.

4. SENATOR MELCHER SUPPORTED SECURITY ASSISTANCE PACKAGE IN HIS APPEARANCE BEFORE SUBCOMMITTEE, BUT OPINED THAT GOP SHOULD RE-OPEN NEGOTIATIONS WITH U.S. INASMUCH AS U.S. "RENT" FOR MILITARY FACILITIES IS MUCH TOO LOW IN COMPARISON WITH SECURITY ASSISTANCE PROVIDED OTHER BASING COUNTRIES SUCH AS SPAIN, PORTUGAL, TURKEY, AND GREECE.
 SHULTZ
 END OF MESSAGE

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